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S E C R E T SECTION 01 OF 02 ROME 003787

SIPDIS

NSC FOR TOWNSEND; DEPT FOR S/CT, EUR/WE

E.O. 12958: DECL: 11/18/2015 TAGS: <u>KOLY PTER PREL IT</u>

SUBJECT: SCENSETTER FOR NSC TOWNSEND'S VISIT TO ROME

Classified By: DCM Anna Borg, for reasons 1.4 (b)(d)

11. (C) Summary. Your visit to Rome comes at an opportune time to press the Italians for increased detail and transparency about their security plans for the 2006 Winter Olympic Games in Turin. The Italian Ministry of Interior, which has been tasked with coordinating security for the Games, remains extremely sensitive about its ability to accomplish its goals without U.S. assistance. You should stress with the Italians that this request for transparency does not indicate a lack of confidence in their ability, but that their continued unwillingness to share details is undermining a previously well-earned reputation in Washington for cooperation on counterterrorism You should also thank the Italians for their continued cooperation on combating terrorist financing and discuss ways to enhance that cooperation. End summary.

Political Scene

- 12. (C) National elections are tentatively scheduled for April 9. PM Silvio Berlusconi's center-right coalition is down in the polls, undermined by internal leadership spats and continued economic stagnation. The center-left also is plagued by internal disputes which, if it wins, will make effective governance difficult, but former European Commission President Romano Prodi recently won a triumphant electoral victory in the primaries. Pending electoral law changes may slightly increase the odds for the center-right, and it is too early to deal Berlusconi out. However, most political observers predict Prodi's center-left coalition will win in April.
- 13. (U) Italy is our strongest ally in continental Europe. It is the third largest contributor of troops to MFN-I and funds reconstruction and justice projects in Iraq, leads ISAF, a PRT and a justice initiative in Afghanistan, just took over KFOR command in Kosovo, pledged \$3 million to the UN Fund for Democracy, indicated it will fund the new Foundation for the Future for Middle East democracy initiatives, co-hosts Democracy Assistance Dialogue initiatives with Turkey and Yemen, and provided earthquake and hurricane relief for Pakistan and New Orleans.
- 14. (C) The center-right has already accused Prodi of encouraging terrorist attacks on Italy through reckless calls for rapid withdrawal of Italy's troops from Iraq. However, Italian public opinion remains overwhelmingly opposed to the war in Iraq and Berlusconi will be under increasing pressure to make public statements about plans to withdraw troops. Despite campaign rhetoric, the center-left has assured us it will coordinate any troop withdrawals with us and with the Iraqi government. The center-right also believes it has an edge in using concern about terrorist attacks and growing unease about illegal (especially Muslim) immigration as campaign issues.
- 15. (C) High public debt, a large deficit, rising social welfare costs and a stagnant economy are limiting Berlusconi's ability to maneuver in the face of growing domestic economic discontent. Pocketbook issues will drive the campaign and be Berlusconi's biggest challenge, although Prodi has yet to offer any credible alternative economic policy. The draft budget now being debated by the Italian Parliament may include painful cuts in many sectors. This includes potentially dramatic (to about .85% of GDP) cuts in the defense budget and a 20% reduction in the overseas deployment budget that could undermine Italy's ability to sustain its overseas commitments.

Turin Olympics

16. (C) Following the London bombings, the GOI approved a stronger anti-terrorism law and began a crackdown of arrests and deportations of illegal immigrants and suspected terrorists. However, Italy continues to be targeted in fundamentalist websites, and many Italian officials expect Italy will be attacked in the near future. They are worried specifically about a potential attack during either the February Turin Olympics or the spring elections.

- (S) There have been no direct threats against Americans at the Games; however, anarchist groups remain active and there are Islamic extremist cells capable of becoming operational in Italy. We, along with the British, the Dutch and the Canadians, are increasingly concerned that we have insufficient detail about Italian plans to prevent or react to incidents during the Games, either in Turin or in Italy at large. The Italian Ministry of Interior, which has been tasked with coordinating security for the Games, remains extremely sensitive about its ability to accomplish its goals without U.S. assistance. To adequately plan for any shortfalls in Italian operations, however, we need to first review those plans. You will be meeting with Interior Minister Pisanu, Chief of Police DeGennaro and MOI Chief of Public Order (including Olympics) Tagliente. With them, you should reiterate our request to see their detailed operational security plan for the Games. We recommend that you stress that this request for transparency does not indicate a lack of confidence in their ability, but that their unwillingness to share details is undermining a previously well-earned reputation in Washington for cooperation on counterrorism.
- (S) Mission Italy has established a USG Olympics Office in Turin, which will include a 24/7 Joint Operations Center and a Threat Information Center to coordinate security liaison for unarmed DSS, FBI and USEUCOM security personnel with Italian law enforcement officials, coordinate with the USSS support for VIP visits, and provide Washington with integrated interagency sitreps during the Games. The Turin Office will also coordinate logistical support for approximately 260 USG TDY personnel working both the Olympic Games and the Para-Olympic Games, provide American citizens services and manage press/public diplomacy for the USG presence at the Games. Embassy Rome has established the Galileo Center, an interagency intelligence unit, to collect threat information and disseminate it in a format releasable to Italian law enforcement authorities. With the support of DOS S/CT and FSI, Mission Italy will conduct two crisis management exercises in December, one in Turin focused on Olympic scenarios, and one in Rome focused on the possibility of attacks during Games elsewhere in Italy.

Terrorist Finance/Asset Freeze for WMD Proliferators

19. (C) Italy is second only to the U.S. in the number of names it has contributed to the UNSC 1267 Committee for asset freeze. (Comment: Italy has submitted over a third of all the names on the 1267 Committee list of individuals.) We can significantly strengthen our ability to work effectively with Italy on terrorism finance and money laundering through increased policy-level dialogue. Specific issues of interest would include: (1) Italy's plan to submit a bill to Parliament which would specifically authorize freezing non-financial TF assets; (2) obtaining Italian support to help build an international mechanism to block property of WMD proliferators and their supporters; and (3) continue to refine our cooperation on sharing and evaluating our prospective TT names to the UNSC for asset freeze.

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